VZCZCXRO6505 OO RUEHBI RUEHCI RUEHLH RUEHPW DE RUEHNE #2867/01 1171121 ZNY CCCCC ZZH O 271121Z APR 06 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 3041 INFO RUEHBJ/AMEMBASSY BEIJING 1654 RUEHLM/AMEMBASSY COLOMBO 4912 RUEHKA/AMEMBASSY DHAKA 4943 RUEHIL/AMEMBASSY ISLAMABAD 7904 RUEHKT/AMEMBASSY KATHMANDU 5603 RUEHMO/AMEMBASSY MOSCOW 8032 RUEHKO/AMEMBASSY TOKYO 3155 RUEHCI/AMCONSUL CALCUTTA 3398 RUEHCG/AMCONSUL CHENNAI 3287 RUEHKP/AMCONSUL KARACHI 3539 RUEHLH/AMCONSUL LAHORE 2474 RUEHBI/AMCONSUL MUMBAI 2560 RUEHPW/AMCONSUL PESHAWAR 3130 RUEHUNV/USMISSION UNVIE VIENNA 0598 RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUCNDT/USMISSION USUN NEW YORK 0374 RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEHGV/USMISSION GENEVA 2631 RHHMUNA/HQ USPACOM HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 002867

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TAGS: PGOV PINR KDEM KISL SCUL IN
SUBJECT: EXPECTED SONIA GANDHI ELECTORAL VICTORY NOT ENOUGH
TO REVIVE THE UTTAR PRADESH CONGRESS PARTY

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(C) Summary: Poloff's April 19-21 trip to Uttar Pradesh (UP) revealed that the political equation has changed since our previous visit in January. Then, most considered the ruling Samajwadi Party (SP) to be on its way out. However, Chief Minister Mulayam Singh Yadav has since used American foreign policy stances to energize the crucial Muslim electorate. Denouncing the US for "anti-Islamic" policies, Yadav has painted himself as the Indian Muslims' savior and channeled Muslim anger into support for the SP. Muslims are the key swing vote in UP and their support could keep the SP in power. The recent resignation of Congress President Sonia Gandhi from Parliament has increased her stature in the state and most observers expect her to win re-election from her Rae Barelli constituency by a wide margin on May 8. Despite this, the party's moribund organization and poor state leadership has prevented Congress from reviving, and it is in no position to capture state power. Yadav could call an early election as soon as August. With the BJP and Congress out of contention, the contest is between the SP and its regional rival the BSP, with a "race to the bottom" likely on issues of importance to the US in this nation-sized Indian state. End Summary.

Wide-Ranging Contacts

12. (U) During an April 19-21 trip to the Uttar Pradesh (UP) cities of Lucknow, Rae Barelli and Allahabad, Poloff met a

wide range of opinion leaders, including journalists, academics, social activists and political leaders. In Rae Barelli, where Congress Party President Sonia Gandhi is contesting for re-election following her dramatic resignation from Parliament (Reftel B), he met with campaign managers and party workers for Congress and the rival Samajwadi Party.

## Courting Muslims at US Expense

13. (C) There was a remarkable consensus that the political situation has shifted since Poloff's last visit in January (Reftel D). In UP's caste-ridden political environment, most voters are locked-in to the parties selected by their caste leaders and the caste equation is just about evenly split between the Samajwadi Party (SP) of Chief Minister Mulayam Singh Yadav and the Bahujan Samaj Party (BSP) of former Chief Minister Mayawati. This has made Muslims the crucial swing electorate, as they are largely free to shift from one party to another. With his government under attack and shaky, Yadav has gone to extraordinary lengths to recruit and maintain Muslim loyalty. He has accused the US of implementing an "anti-Islamic" policy, and taken a militant stance on the Danish cartoon controversy, the GOI's anti-Iran vote in the IAEA, the US roles in Iraq and Palestine, and most recently the publication of articles alleging that the US has plans to mount military strikes against Iranian nuclear facilities. This has convinced many Muslims that the SP best represents their interests. While such issues are of little interest to Indian Hindus, Friday sermons by fiery imams in some mosques have energized the Muslim masses.

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14. (C) Several interlocutors accused the SP of engineering communal riots in UP provincial towns, most recently in Aligarh, in order to win Muslims' appreciation for the government's "protection." They alleged that the SP hopes to increase Muslim insecurity to convince Muslim voters that they have no option but to back the SP. They also claimed that the party has extended government support to Muslim extremists such as Kalbe Jawad and Fazlur Rehman, who have issued provocative anti-US statements and organized anti-US demonstrations. The SP and its Muslim allies are purportedly telling Muslims that the US is set to invade Iran as part of a "master plan" to "defeat Islam," and that only Mulayam Singh Yadav will stand up to Washington.

## A Divided Opposition

15. (C) While Congress, the BJP and BSP want to depose Yadav, they are unable to work together. All our interlocutors agreed that no national party can come to power in Lucknow, and that Congress and the BJP must remain out of the government, or ally with a regional party. Several informants, including leading figures from the state Congress Party, confirmed that BSP and Congress are growing closer together, but seem unable or unwilling to conclude a formal alliance. Congress leaders complained that regional parties have converted UP politics into a gangsters paradise dominated by hired gunmen, and that it would be better to "take the high road" and not participate, even if it means a spell in the political wilderness. Congress is debating whether to concede short-term power to the regionals, re-build local strength and come back with a solid majority at some future date as the champion of "clean values." All agreed that the common man is "fed-up" with violence and corruption and will eventually desert the regional parties if presented with a clear-cut alternative.

# Congress and BJP In the Doldrums

 $\P6.$  (C) UP opinion leaders from across the political spectrum agreed that Sonia Gandhi's dramatic resignation from

Parliament had increased her stature and that of her family. However, they did not expect this to revive the largely-dormant party. Congress is "running flat," they insisted, and cannot expand its support beyond the committed few. Most predicted that Congress would continue to hold its own, but with no credible UP leadership and a hollow organization, cannot make a dramatic turnaround. Congress leaders and well-connected journalists told Poloff that the failure of President's rule in Bihar had convinced the Congress leadership that this is no longer a viable option and they are no longer considering it.

17. (C) If Congress is stagnant, the BJP is in decline. Informants agreed that the party would experience serious electoral reversals in upcoming contests, as its Hindu nationalist agenda was no longer widely relevant. Asserting that former Prime Minister AB Vajapyee's charisma was largely responsible for BJP successes, several pointed out that many have deserted the party after his departure from politics, and no current or potential BJP leader can replace him.

The View From Ayodhya

18. (C) In an April 19 conversation with Poloff, the Raja of NEW DELHI 00002867 003 OF 004

Ayodhya asserted that all was calm in the city, despite last summer's terrorist attack and the presence in UP of LK Advani and Hindutva leaders. In his view, the BJP will not be able to revive the Ram Temple issue, as the BJP has "run out of steam." LK Advani's recent attempt to stage a rally in Ayodhya was attended by under 200 persons, the Raja claimed. He predicted that BJP efforts to foment communal violence in UP to unite Hindus behind a revived Hindutva agenda would fail. The Raja dismissed the recent appointment of UP politician Rajnath Singh as BJP Party President as a mark of desperation, as he is known in the state as a close associate of criminal gangs.

## The SP Puts on a Brave Front

19. (U) When Poloff arrived in Rae Barelli on April 20, the political campaign was in full swing. Congress had hung party banners along the entire length of the principal highway and put up billboards bearing enormous pictures of Sonia Gandhi and her children Rahul and Priyanka. Signs, posters and banners of other parties were hardly evident. The contest in Rae Barelli is between Mrs. Gandhi and Raj Kumar Chaudhury of the SP, as no other party plays a significant role in the constituency. In a silent endorsement of Sonia, the BSP declined to put forth a candidate. SP candidate Chaudhury is a local businessman, with a medical supply company, who is running as a "son of the soil," determined to wrest the constituency away from "foreigners."

## But It Will Be a Congress Walkover

110. (C) Relaxed Congress leaders told Poloff that Sonia Gandhi would win back her seat by the widest margin ever recorded in Rae Barelli. One campaigner expressed some anger that Sonia had resigned without first telling her constituency, but predicted that everyone would fall into line and vote as expected. The Congress leaders asserted that Sonia Gandhi's repeated "sacrifices for the nation," and her effective rebuttal of opposition attacks have nullified the "foreign issue" and that Rae Barelli has accepted her. In the 2004 election her victory margin was 300,000. The Congress goal is to raise it to 500,000 in this contest. They pointed out that Mrs. Gandhi has not only resigned from her Parliamentary seat, but from 13 trusts and the presidency of the National Advisory Commission (NAC) effectively silencing her opposition critics. This, they argued, has

increased the peoples' confidence in her leadership and all castes and communities now support her. This is especially true of local Muslims, who prefer Congress to any regional party.

#### Leading to a State Revival Campaign

Q11. (C) Rae Barelli Congress leaders hoped that a expected Gandhi walkover would allow the party to implement a planned grass-roots revival campaign. Congress will then accuse the SP of murdering its opponents and fomenting communal riots and ask for Muslim support to bring peace to the state. The centerpiece of the campaign will be a state-wide tour by Sonia, Rahul and Priyanka Gandhi. After the family visits a location, Congress organizers will remain behind to re-establish the local party. Congress hopes to use the Gandhi charisma to convince Brahmins to return (despite their

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Christian antecedents, most in UP view the Gandhis as Brahmins by caste.)

112. (C) Congress hopes to be known as the "progressive" party that provides an alternative to the "backward looking" parties (the BJP and the regionals). One prominent Congress leader asserted that the Congress campaign will revive the "politics of principal," and predicted that Congress will "take the high road" after years of caste and regional politics, to counter the "low road" of the SP. He noted that Congress decided not to enlist its own "gunmen" to counter the violence and intimidation of the SP, but will instead emphasize "sacrifice" and project Sonia Gandhi.

## The Political Scenario

13. (C) Assembly elections are scheduled in UP in February 2007. Under the Constitution, the Chief Minister can call early elections up to six months before the scheduled date. Most agreed that if CM Yadav concludes that he has sufficiently energized the Muslim vote, he could call for a poll as early as August 2006 with a good chance of winning. BSP and Congress could announce an informal seat-sharing arrangement during the election, with a possible coalition afterwards. If the election were held today, most expect the BJP to lose up to half of its current 88 MLA's. An SP victory over the BSP could be by a narrow margin, with each party winning approximately 125 seats in the 402 seat house. Congress would likely retain a number close to its current 25 seats.

#### Comment

(C) The changing political scenario in UP illustrates how US foreign policy can impact Indian domestic politics. Although Congress desperately wants to recover its position in UP, its support for US policies has provided its opponents with a ready-made issue. The UPA's position will become even more brittle if, as expected, Congress does poorly when state election results are announced on May 11. Likewise, the mercenary SP is determined to hold on to power in Lucknow and is not averse to using Islamic extremism and America bashing to retain its grip on the key Muslim electorate. Although the Gandhi family continues to capture the popular imagination in UP, Congress has not converted this charisma into a political asset. Just a few months ago, the SP looked to be on its way out. Now, the electoral outcome is too close to call. Should the SP lose the next election, the BSP, with or without Congress support, will return to power. Unlike its SP rival, the BSP has not criticized the US, and would likely move quickly to restore friendly ties between the USG and the government in UP, a state larger than Pakistan, Russia or Brazil.

(http://www.state.sgov.gov/p/sa/newdelhi/)
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